Exhibit III

Crimson Exploration Inc.
$150,000,000 Senior Secured Second Lien Term Loan Facility
Summary of Principal Terms and Conditions[1]

Borrower:	Crimson Exploration Inc., a Delaware corporation (the "***Borrower***").
Second Lien Term Facility:	A senior secured second lien term loan facility in an aggregate principal amount of $150,000,000 (the "***Second Lien Term Facility***").
Purpose:	The proceeds of the Second Lien Term Facility were used by the Borrower on May 8, 2007 (the ***"Closing Date"***), together with the proceeds from a first lien revolving facility (the ***"Revolving Facility"***), solely (a) to acquire all the outstanding membership interests in Southern G Holdings, LLC (***"Southern G"***) from EXCO Resources, Inc., (b) to refinance existing debt and (c) to pay related transaction costs.
Interest Rate:	Either (i) Adjusted LIBOR plus 5.25% or (ii) ABR plus 4.25%; *provided* that if the Borrower does not obtain gross proceeds of at least $25,000,000 from the issuance of common equity and/or preferred equity having terms reasonably satisfactory to the Agent within 150 days of the Closing Date, the applicable interest rates will be, at the option of the Borrower, (x) Adjusted LIBOR plus 5.75% or (y) ABR plus 4.75%.
Default Rate:	The applicable interest rate plus 2.0% per annum.
Maturity:	May 8, 2012.
Agent:	Credit Suisse, acting through one or more of its branches or affiliates ("***CS***"), will act as sole administrative agent and collateral agent (collectively, in such capacities, the "***Agent***").
Sole Bookrunner and Sole Lead Arranger:	Credit Suisse Securities (USA) LLC (***"Second Lien Lead Arranger***").
Co-Arrangers:	Wells Fargo Energy Capital, Inc. and The Royal Bank of Scotland plc (the "***Co-Arrangers***" and, together with the Second Lien Lead Arranger, the "***Arrangers***").
Syndication Agent:	Wells Fargo Bank, N.A.
Documentation Agent:	RBS Securities Inc.

[1] Capitalized terms used herein but not otherwise defined shall have the meanings assigned thereto in the Credit Agreement.

Guarantees:	All obligations of the Borrower are unconditionally guaranteed (the "***Second Lien Guarantees***") by each existing and subsequently acquired or organized subsidiary of the Borrower (the "***Subsidiary Guarantors***"), other than inactive subsidiaries.
Security:	The Second Lien Term Facility and the Second Lien Guarantees are secured on a second-priority basis by substantially all the assets of the Borrower and each Subsidiary Guarantor, whether owned on the Closing Date or thereafter acquired (the "***Collateral***"). The lien priority, relative rights and other creditors' rights issues in respect of the Revolving Facility and the Second Lien Term Facility are set forth in the Intercreditor Agreement.
Mandatory Prepayments:	Loans shall be prepaid without premium or penalty (other than "*breakage costs*") with (a) 100% of the net cash proceeds of all asset sales or other dispositions of property by the Borrower and the Subsidiary Guarantors (including proceeds from the sale of stock and condemnation proceeds) (subject to exceptions for dispositions under $250,000 and reinvestment rights within 180 days of a disposition) in excess of the amount of (if any) mandatory prepayments under the Revolving Facility, and (b) 100% of the net cash proceeds of issuances, offerings or placements of debt obligations of the Borrower and the Subsidiary Guarantors (excluding Revolving Facility borrowings, Permitted Subordinated Debt and Cash Paid Preferred). Notwithstanding the foregoing, each Lender shall have the right to reject its *pro rata* share of any mandatory prepayment described above, in which case the amounts so rejected shall be offered ratably to each non-rejecting Lender. Any such amounts which are further rejected by such non-rejecting Lenders may be retained by the Borrower. In the event of a Change in Control, the Borrower shall be required to offer to prepay all outstanding loans under the Second Lien Term Facility at 101% of the outstanding principal amount thereof, together with accrued interest thereon and all other amounts then due or outstanding thereunder.
Voluntary Prepayments:	Voluntary prepayments of borrowings under the Second Lien Term Facility will be permitted at any time, in integral multiples of $1,000,000 and in a minimum principal amount of $5,000,0000, without premium or penalty, subject to reimbursement of the Lenders' redeployment costs in the case of a prepayment of Adjusted LIBOR borrowings other than on the last day of the relevant interest period ("*breakage costs*") and except as set forth under the caption "Call Premium" below.

<table>
<tr><td>Call Premium:</td><td>Voluntarily prepayments (including in connection with any exercise of the “yank a bank” provision in the credit agreement) shall be made at (i) 102% of the amount repaid if such repayment occurs on or prior to May 8, 2008 and (ii) 101% of the amount repaid if such repayment occurs after May 8, 2008 but on or prior to May 8, 2009.</td></tr>
<tr><td>Affirmative Covenants:</td><td>Delivery of annual and quarterly financial statements, capital plan and operating budget, notice of defaults, accounting reports, SEC filings, notices under other loan agreements, oil and gas production reports, list of hedging agreements, notice of litigation, proof of insurance, quarterly reserve reports, and title information.

Maintenance of corporate existence, rights, privileges, franchises, and property.

Compliance with environmental laws.

Maintenance of satisfactory commodity price hedging arrangements with respect to 40% of estimated proved developed producing reserves (“PDP”) for the following twelve-month period at any time and for so long as the Borrower’s PV-10 Ratio is less than 1.80x.</td></tr>
<tr><td>Negative Covenants:</td><td>Limitations on Debt, other than specified exceptions including the Revolving Facility, other debt not exceeding $15,000,000 and, if there are no defaults and Pro Forma Financial Covenant Compliance, Permitted Subordinated Debt or Cash Paid Preferred.

Limitations on dividends on, and redemptions and repurchases of, equity interests and other restricted payments; limitations on prepayments, redemptions and repurchases of debt (other than loans under the Revolving Facility and the Second Lien Term Facility); limitations on liens and sale leaseback transactions; limitations on loans and investments; limitations on guarantees; limitations on Hydrocarbon Interest and interest rate hedging arrangements; limitations on mergers, acquisitions and asset sales; limitations on transactions with affiliates; limitations on changes in business conducted by the Borrower and its subsidiaries; limitations on restrictions on ability of subsidiaries to pay dividends or make distributions; and limitations on take-or-pay or other prepayments for production.</td></tr>
<tr><td>Financial Covenants:</td><td>(a) Leverage Ratio: the ratio of Net Debt to EBITDAX shall not exceed the levels specified below during the periods indicated below:

Net Debt / EBITDAX
<table>
<tr><th>Period</th><th>Ratio</th></tr>
<tr><td>Q2:07 - Q4:07</td><td>4.00x</td></tr>
<tr><td>Q1:08 - Q2:08</td><td>3.50x</td></tr>
<tr><td>Q3:08 - Thereafter</td><td>3.00x</td></tr>
</table></td></tr>
</table>

<table>
<tr><td><u>Financial Covenants</u>:</td><td>(b) <u>PV-10 Ratio</u>: the ratio of PV-10 Value (not to exceed the quotient of the PV-10 Value from PDP divided by 0.60) to Net Debt shall not be less than the levels specified below during the periods indicated below:

<u>PV-10 Ratio</u>
<table>
<tr><th><u>Period</u></th><th><u>Ratio</u></th></tr>
<tr><td>Q2:07 - Q4:07</td><td>1.25x</td></tr>
<tr><td>Q1:08 - Thereafter</td><td>1.50x</td></tr>
</table></td></tr>
<tr><td><u>Events of Default</u>:</td><td>Principal payment defaults and payment defaults other than of principal unremedied for three business days under the Second Lien Term Facility; cross default to the Revolving Facility if a default thereunder either is not cured or waived within a 45-day period or results in acceleration or termination of commitments under the Revolving Facility; payment defaults on other debt aggregating $7,500,000 or more; false or misleading representation or warranty with respect to the Second Lien Term Facility; and other defaults (in some cases subject to thresholds and grace periods) including violation of covenants, bankruptcy, material judgments, and invalidity of guarantees or security documents.</td></tr>
<tr><td><u>Voting</u>:</td><td>Amendments and waivers of the definitive credit documentation will require the approval of Lenders holding more than 50% of the aggregate amount of the loans and commitments under the Second Lien Term Facility, except that the consent of each Lender shall be required with respect to, among other things, (a) increases in the commitment of such Lender, (b) reductions of principal, interest or fees payable to such Lender, (c) extensions of final maturity of the loans or commitments of such Lender and (d) releases of all or substantially all of the value of the Second Lien Guarantees, or all or substantially all of the Collateral.</td></tr>
<tr><td><u>Cost and Yield Protection</u>:</td><td>Usual for facilities and transactions of this type, including customary tax gross-up provisions.</td></tr>
<tr><td><u>Assignments and Participations</u>:</td><td>The Lenders will be permitted to assign loans under the Second Lien Term Facility without the consent of (but with notice to) the Borrower. All assignments will require the consent of the Agent, not to be unreasonably withheld or delayed. Each assignment and concurrent assignment of affiliates will be in an aggregate amount of an integral multiple of $1,000,000 and will be by novation.

The Lenders will be permitted to sell participations in loans and commitments without restriction. Voting rights of participants shall be limited to matters in respect of (a) increases in commitments of such participant, (b) reductions of principal, interest or fees payable to such participant, (c) extensions of final maturity of the loans or commitments in which such participant participates and (d) releases of all or substantially all of the value of the Second Lien Guarantees, or all or substantially all of the Collateral.</td></tr>
</table>

Expenses and Indemnification:	The Borrower will indemnify the Agent, the Lenders, their respective affiliates, successors and assigns and the officers, directors, employees, agents, advisors, controlling persons and members of each of the foregoing (each, an "***Indemnified Person***") and hold them harmless from and against all costs, expenses (including reasonable fees, disbursements and other charges of counsel) and liabilities of such Indemnified Person arising out of or relating to any claim or any litigation or other proceeding (regardless of whether such Indemnified Person is a party thereto and regardless of whether such matter is initiated by a third party or by the Borrower or any of their respective affiliates or shareholders) that relates to the Second Lien Term Facility; *provided* that no Indemnified Person will be indemnified for any cost, expense or liability to the extent determined in the final, non-appealable judgment of a court of competent jurisdiction to have resulted primarily from the gross negligence or willful misconduct of such Indemnified Person or its affiliates or controlling persons or any of the officers, directors, employees, agents or members of any of the foregoing. In addition, all out-of-pocket expenses (including, without limitation, fees, disbursements and other charges of counsel) of the Agent and the Lenders for enforcement costs and documentary taxes associated with the Second Lien Term Facility will be paid by the Borrower.
Governing Law and Forum:	New York.
Counsel to the Agent and Second Lien Lead Arranger:	Cravath, Swaine & Moore LLP.